

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	
vs.)	
)	
Central Illinois Light Company)	
Central Illinois Public Services Company)	
Commonwealth Edison Company)	
Illinois Power Company)	
Interstate Power Company)	
MidAmerican Energy Company)	
Mt. Carmel Public Utility Company)	
South Beloit Water, Gas, and Electric)	
Company, and)	
Union Electric Company)	
)	Docket No. 00-0494
Proceeding on the Commission's own motion)	
concerning delivery services tariffs of all Illinois)	
electric utilities to determine what if any)	
changes should be ordered to promote)	
statewide uniformity of delivery services and)	
related tariffed offerings.)	

REPLY BRIEF ON EXCEPTIONS
OF
MIDAMERICAN ENERGY COMPANY

COMES NOW, MidAmerican Energy Company (“MidAmerican”) and submits its Reply Brief on Exceptions in the above-captioned proceeding.

1. MidAmerican files this Reply Brief on Exceptions in response to the Briefs on Exceptions received from Commonwealth Edison Company (“Com Ed”), NewEnergy Midwest, L.L.C. and the Illinois Industrial Energy Consumers (“NewEnergy/IIEC”), Central Illinois Light Company (“CILCO”), AmerenCIPS and

AmerenUE (“Ameren”), and the Staff of the Illinois Commerce Commission (“Staff”). MidAmerican is also aware that the People of the State of Illinois (“The People”) filed a statement that they had no exceptions and that Illinois Power Company filed a letter with the Commission advising they would not be filing a Brief on Exceptions. MidAmerican will again limit its comments to the Uniformity or Pro Forma Tariffs and Single Billing Option Issues.

I. Uniformity or Pro Forma Tariffs

In its Brief on Exceptions, MidAmerican expressed strong reservations that any additional workshops would substantively advance the goal of statewide uniformity in the Illinois electric utilities’ tariffs. Staff expressed similar concerns that the HEPO did not identify a date by which the workshop process should terminate, nor did the HEPO provide any incentive for the utilities to actively seek uniformity. MidAmerican agrees there is little incentive for the other electric utilities to engage in serious discussions in the pursuit of greater uniformity. Indeed, the Brief on Exceptions filed by Com Ed highlights the insurmountable obstacles uniformity must face if the Commission fails to provide a strong and unambiguous directive that greater uniformity is to be achieved.

NewEnergy/IIEC’s position is very close to that of MidAmerican’s. NewEnergy/IIEC echo MidAmerican’s belief that there is no realistic expectation that the utilities will allow the “workshop only” process to be worthwhile. NewEnergy/IIEC also believe that additional direction from the Commission is needed and that time deadlines must be provided as part of the workshop process. MidAmerican supports the NewEnergy/IIEC proposal that the MidAmerican draft tariffs, as modified by appropriate suggestions noted in this proceeding, be adopted as the “target” pro forma delivery

service tariffs for the workshop processes. NewEnergy/IIEC recommend that the Commission direct the Staff workshops to begin no later than May 1, 2001.

Staff identified an alternative plan by which workshops would begin shortly after the Commission enters an order in this proceeding and that Staff be directed to file a report soon thereafter. The Staff report would inform the Commission as to whether it was likely that the workshops would achieve concrete results. Depending on the nature of the changes in terms and conditions contained in the proposed residential delivery services tariffs (RDSTs), the individual rate proceedings would either be consolidated for the purpose of developing uniform tariff language or the utilities' RDST cases could be bifurcated into two proceedings; one being a traditional rate proceeding and a second proceeding focusing on the development of terms and conditions. Staff contemplates its report would be filed by June 30, 2001. MidAmerican presumes this envisions the RDSTs being filed by the utilities on or before June 1, 2001. [Staff BOE at 2-3].

MidAmerican believes the Staff proposal could be workable, although it will probably be more complicated than the NewEnergy/IIEC proposal. It could provide an incentive for serious negotiations by raising the possibility that the RDST cases could be consolidated for the development of uniform terms and conditions. MidAmerican believes it is imperative that any such decision be made by the Commission as soon as possible after the June 30, 2001 Staff report is filed.

MidAmerican favors the approach recommended by NewEnergy/IIEC. MidAmerican believes the NewEnergy/IIEC proposal is an efficient method to achieve tariff uniformity. MidAmerican does not believe that an examination of the RDSTs will provide a good indication of the need for workshops. If the Commission does not adopt MidAmerican's pro forma tariffs, there will be no model for uniformity at the time the

RDST filings are made. Even if the utilities were willing to make progress on the uniformity issue, it is unlikely that uniform RDSTs will materialize if the Commission does not adopt a model or standard before the RDST filings are made.

Sadly, Com Ed's Brief on Exceptions reinforces MidAmerican's concern about any substantive progress being made towards uniformity as a result of the additional Staff-directed workshops envisioned by the HEPO. Com Ed's opposition to any substantive step towards uniformity in Illinois is apparent. Indeed, any step not sponsored by Com Ed is the target of criticism. The adoption of the Staff-sponsored customer and supplier tariff outlines (instead of the Com Ed-sponsored outline), which constitute only a small step toward uniformity, is decried as being legal error and contrary to the record. Against such a backdrop, is it any wonder that MidAmerican harbors serious reservations about substantive uniformity being achieved in an undirected, open-ended continuation of the workshops?

3. Ameren does not oppose the adoption of the revised customer tariff outline and revised supplier tariff outline, but seeks a clarification as to the date by which the outlines must be incorporated into Ameren's tariffs. Ameren claims it must be treated differently from the other utilities "because of its unique circumstances." [Ameren Brief on Exceptions at 2]. The unique circumstances are apparently that Ameren has already filed its residential delivery service case on December 15, 2000. MidAmerican objects to and opposes Ameren's request for differing treatment. Ameren publicly announced its decision to file its RDST case six months earlier (April 1, 2001) than the statutorily-mandated date of October 1, 2001. On December 12, 2000, an Ameren witness was asked why Ameren intended to file its tariffs on April 1, as opposed to June 1 or October 1. There was no indication in that answer that Ameren would be filing its RDST

case a mere three days later. [Tr. 190-191]. This case was established to pursue the concept of uniformity. Ameren should not be permitted to disrupt that pursuit because it filed its RDST case 3-1/2 months before the date it said it would. Ameren should adopt whatever changes result from this docket and make such appropriate changes to its tariffs presently under review in its RDST case.

II. Single Billing Option Issues

Com Ed devotes the majority of its extensive Brief on Exceptions to reiterating its arguments as to why its interpretation of Section 16-118(b) should be adopted. The arguments against Com Ed's interpretation were set out in MidAmerican's Initial Brief and Reply Brief in this docket, as well as in the respective briefs of NewEnergy/IEEC, the Staff, and The People. MidAmerican sees little reason to further encumber the record by repeating those arguments here. The first sentence of Section 16-118(b) refers to the delivery services provided by the electric utility. This reference is a limitation on what services are to be included in the single bills. Com Ed's emphasis on "tariffed services" in the latter part of that paragraph must be read within the scope of that limitation. MidAmerican fully supports the conclusion of the HEPO that bundled service charges should not be included in the SBO billings, and that the statute did not contemplate that such billings be included.

Some utilities assert that the HEPO's conclusion on the SBO issue should be rejected because it would require a revision to the SBO credit. [CILCO BOE at 2-3; Com Ed BOE at 14-15]. That is not a reason to reject a proper reading of the statute. If the SBO credit needs to be revised (and MidAmerican does not agree that it should), then revise it! MidAmerican believes the only issue with the SBO credit is that it should be calculated correctly. The SBO credit should provide for services that are included, and

should not provide for services that are not. The claim that the SBO credit may have to be revised is not a reason for adopting an improper reading of Section 16-118(b), as suggested by Com Ed and CILCO.

Ameren requests that it not be required to implement the SBO “changes” required by the HEPO until January 1, 2002 because it is converting its customers to a new CSS billing system. Ameren states neither of the two RESs currently operating in its service territory uses the SBO and none of the RESs currently completing the registration process to serve Ameren retail customers has indicated that it will use the SBO. As it appears unlikely that any customer or RES will be disadvantaged by Ameren’s request, MidAmerican has no objection to Ameren completing its conversion process. However, in the event a RES does use the SBO prior to the completion of the conversion process, Ameren should be required to offer the SBO and not include bundled service charges on the bills.

WHEREFORE, MidAmerican Energy Company requests that the Hearing Examiner’s Proposed Order be revised in accordance with the recommendations contained herein.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

By -----Robert P. Jared-----
One of Its Attorneys

Robert P. Jared
Senior Attorney
MidAmerican Energy Company
One RiverCenter Place
106 East Second Street
P. O. Box 4350
Davenport, Iowa 52808
Telephone: 319-333-8005
Facsimile: 319-333-8021
rpjared@midamerican.com